

FORD MOTOR COMPANY OF CANADA

LIMITED

EAST WINDSOR ONTARIO

ANNUAL
REPORT

YEAR ENDED
DECEMBER 31ST,
1934

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FORD MOTOR COMPANY OF CANADA, LIMITED

DIRECTORS

EDSEL B. FORD, *Chairman of the Board*

W. R. CAMPBELL, *President and Treasurer*

G. E. DICKERT, *First Vice-President*

P. E. MARTIN, *Second Vice-President*

HENRY FORD

D. B. GREIG, *Secretary and Assistant Treasurer*

G. G. KEW, *Assistant Secretary*

AUDITORS

CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH

STATEMENT OF INCOME AND EXPENDITURE

For The Year Ended December 31st, 1934

Net Profit from the operations of the Canadian Factory and Branches, after all charges for Manufacturing, Selling and General Expenses, including Depreciation of \$1,355,746.39		\$ 3,287.79
Add:		
Income from Investments . . .	\$ 466,031.43	
Dividends received from Sub- sidiary Companies . . .	1,636,649.07	
Profit on Sale of Investments	80,475.51	2,183,156.01
		<u>2,186,443.80</u>
Less: Directors' Fees . . .		3,000.00
Net Profit before Income Taxes		<u>2,183,443.80</u>
Deduct:		
Provision for Income Taxes -		
Payable in Canada . . .	251,000.00	
Payable elsewhere . . .	54,330.89	305,330.89
Net Profit for the year . . .		<u><u>\$ 1,878,112.91</u></u>

STATEMENT OF EARNED SURPLUS

December 31st, 1934

Earned Surplus - December 31st, 1933				\$ 16,272,066.41
Net Profit for the year ended December 31st, 1934 .				1,878,112.91
				<u>18,150,179.32</u>
Deduct :				
Prior Years' Adjustments :				
Income Taxes	\$	8,104.88		
Other Adjustments		40,733.76		
Dividends 32 and 33				
Class "A" Stock		1,986,200.00		
Class "B" Stock		<u>87,500.00</u>		2,122,538.64
Earned Surplus - December 31st, 1934				<u><u>\$ 16,027,640.68</u></u>

F O R D M O T O R C O M P A N Y

BALANCE

A S S E T S

December

Cash and Bonds—

Cash on hand and in Banks	\$ 3,406,707.53	
Bonds issued or guaranteed by the Federal, Provincial or Municipal Governments in Canada - at not more than cost and in the aggregate, less than market value	14,151,866.95	
Interest accrued on Bonds and Bank Balances	134,231.04	\$ 17,692,805.52

Accounts Receivable—

Sight Drafts and Open Charge Accounts (less Reserve for Doubtful Debts)	741,860.04	
Customs Drawback and Refund Claims	825,268.31	
Advances to Subsidiary Companies	1,761,723.35	3,328,851.70

Inventories—(as determined and certified by Company Officials and priced at not more than cost or market value)		2,911,244.62
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Deferred Charges—(including expenditures on account of 1935 production)		732,325.20
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Investments—

Shares of Subsidiary Companies (fully paid)		6,205,502.27
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Land, Buildings, Plant and Equipment - at not more than cost - Home Office	22,995,093.18	
Branches	2,624,430.62	25,619,523.80

Patents		1.00
		\$ 56,490,254.11

AUDITORS' REPORT

We have audited the books and accounts of Ford Motor Company of Canada, Limited for the year ended December 31st, 1934. In our opinion the above Balance Sheet has been properly drawn up so as to exhibit a true and correct statement of the financial position of the Company at the end of the year, and the information, the explanations given us and as shown by the books.

Net profits of Subsidiary Companies for the year ended December 31st, 1934 have only been taken into account in the Income and Expenditure, and in the aggregate were in excess of such dividends.

Toronto, Ontario, March 26th, 1935

OF CANADA, LIMITED

SHEET

31st, 1934

LIABILITIES

Accounts Payable—

Purchase Creditors, Accrued Expenses and		
Pay Rolls	\$ 1,516,194.00	
Reserve for Taxes payable in Canada	272,889.25	
Amount due Subsidiary Company	<u>61,326.29</u>	\$ 1,850,409.54

Reserves—

Depreciation of Buildings, Plant and Equip- ment	20,983,103.89	
Investments	<u>1,000,000.00</u>	21,983,103.89
General Reserve		3,250,000.00

Capital—

Authorized - 1,900,000 Shares Class "A"
No Par Value
100,000 Shares Class "B"
No Par Value

Issued and Fully Paid -

1,588,960 Shares Class "A" }	13,379,100.00
70,000 Shares Class "B" }	

Earned Surplus	<u>16,027,640.68</u>	29,406,740.68
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\$ 56,490,254.11

Approved on behalf of the Board,

W. R. CAMPBELL,
DIRECTOR

G. E. DICKERT,
DIRECTOR

TO SHAREHOLDERS

ended December 31st, 1934 and have obtained all the information and explanations which we have required.
d correct view of the state of the Company's affairs as at December 31st, 1934 according to the best of our
into account to the extent of the dividends received from these Companies as shown in the Statement

Clarkson, Gordon, Dilworth, Guilfoyle & Nash.

Chartered Accountants

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

The Annual Report of the Company for the year ended December 31st, 1934, is submitted herewith by the Board of Directors. Included therein is a Statement of Income and Expenditure, Statement of Earned Surplus and Balance Sheet certified by the Auditors, stating the condition of the Company at that date.

The Statement of Income and Expenditure is this year submitted as part of the Annual Report and is amplified by the following:

Output—The total unit sales, including shipments to Subsidiary Companies, numbered 48,917, the relative figure for the previous year being 26,398.

Income—The Net Profit from operations of the Canadian Factory and Branches during the year 1934 amounted to \$3,287.79, while the comparable figure for the previous year was a loss of \$1,647,004.14. Income from Investments, Dividends Received from Subsidiary Companies and Profit on Sale of Investments in 1934, totalled \$2,183,156.01 in contrast with a relative income of \$1,039,969.93 during the previous year. After provision for Directors' Fees and Income Taxes, the final result for the year was a net profit of \$1,878,112.91, as compared with a net loss in 1933 of \$620,700.71.

It is interesting to note that this is the first year since 1930 that operations of the Canadian Factory and Branches, as disclosed by the present form of Statement of Income and Expenditure, have been conducted without loss.

The following comment is submitted with reference to various items shown on the Balance Sheet.

Cash and Bonds—This value of \$17,692,805.52 is substantially the same as at the close of the previous year when the relative figure was \$17,661,171.38.

Accounts Receivable—The amount shown of \$3,328,851.70 less credit balance in favor of a Subsidiary Company of \$61,326.29, which appears under the Accounts Payable, compares with a figure of \$3,431,971.30 at the close of the previous year.

Inventories—Exceed the previous year-end value by \$713,340.41 in anticipation of increased manufacturing activity which has materialized.

Deferred Charges—Includes the usual items relative to Prepaid Insurance and Taxes and in addition thereto certain expenditures for tools effected in 1934 for the products of the following year. Such expenditures will be entirely absorbed during 1935.

Investments - Shares of Subsidiary Companies—This amount remains the same as at the close of 1933 representing the fully paid shares of Subsidiary Companies located in Australia, South Africa, India and Malaya.

Land, Buildings, Plant and Equipment—No major capital expenditures were made during the year and this amount of \$25,619,523.80 is \$173,837.19 less than at the close of 1933.

Accounts Payable—Under this classification the amount shown is \$1,850,409.54 while last year the figure was \$1,516,007.61. The increased amount is normal in view of increased activity.

Reserves—Adequate reserves have been maintained in keeping with the established policy of the Company.

General Reserve—No change has been made in this Reserve and it remains as at the close of 1933.

Earned Surplus—A reduction of \$244,425.73 is noted as compared with the amount at the close of 1933 and is summarized in the Statement of Earned Surplus incorporated in the Annual Report.

Dividends—Dividend disbursements during the year amounted to \$1.25 per share on the outstanding capital stock of the Company and exceeded the Net Profit of the Company for the year which amounted to \$1.13 per share.

For the Directors

W. R. CAMPBELL

PRESIDENT

East Windsor, Ontario,

April 15th, 1935.

FORD MOTOR COMPANY OF CANADA
LIMITED
EAST WINDSOR : : : : ONTARIO

NOTICE OF ANNUAL MEETING

April 15th, 1935

TO THE SHAREHOLDERS:

Notice is hereby given that the Annual Meeting of Shareholders of Ford Motor Company of Canada, Limited, will be held at the Head Office of the Company, at East Windsor, Ontario, on the 29th day of April, 1935, at four o'clock P.M., Eastern Standard Time, to receive the Annual Reports, for the election of Directors, and for the transaction of such other business as may properly come before the Meeting.

The Board of Directors has fixed the close of business April 18th, 1935, as a record date for the determination of the Shareholders entitled to vote at the Meeting.

Only registered owners of Class "B" Shares are entitled to vote. Any such Shareholder, unable to attend the Meeting in person, is requested to complete and return the form of "Appointment of Proxy".

"Appointment of Proxy" forms should be deposited at the Head Office of the Company not later than forty-eight (48) hours before the time of holding the Meeting.

D. B. GREIG

Secretary

